



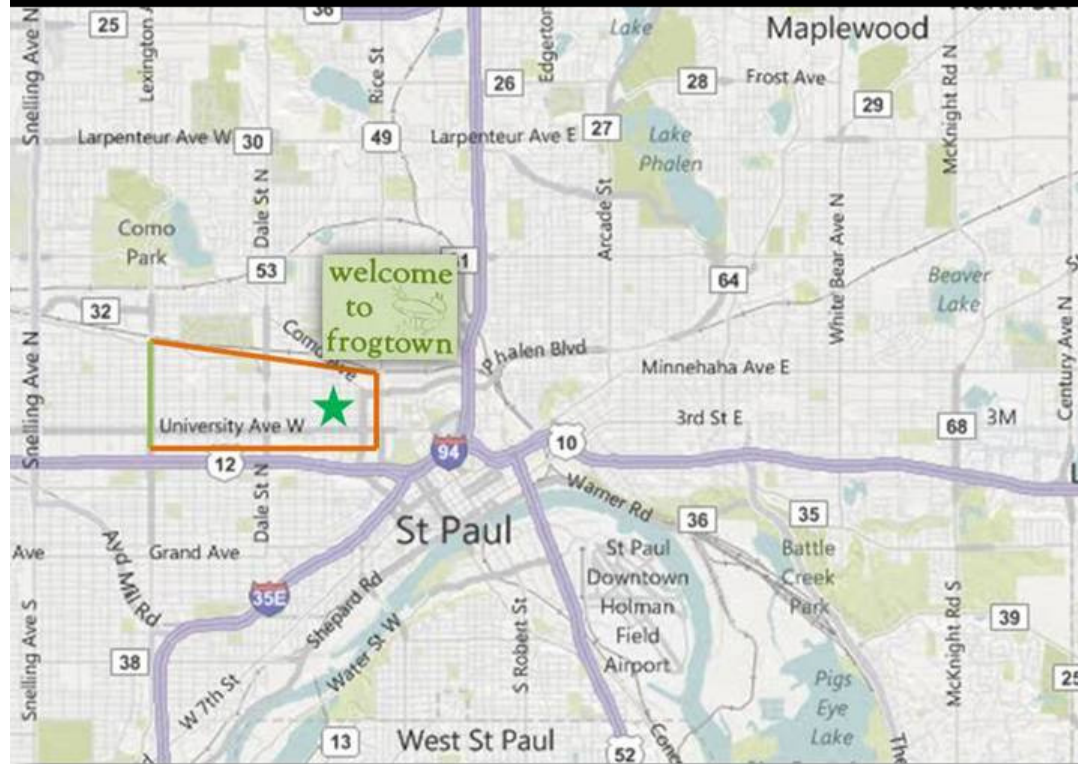
# greater frogtown

community development corporation



## Frogtown, Saint Paul, MN

### Geographical Location



### GFCDC's Service Area

University Avenue (South), Burlington Northern RR Tracks (North), Lexington Avenue (West), Jackson Street (East)

## Central Corridor Light Rail

With the coming of the Central Corridor Light Rail in 2014, investors will be looking to purchase properties in Frogtown. To protect low-income residents from neglected housing, GFCDC needs to acquire properties to guarantee a decent supply of *high quality, affordable* units.





# Frogtown, Saint Paul, MN

## Demographics

*Total 17,248 residents*

### Frogtown's Diversity

|     |                 |
|-----|-----------------|
| 38% | Asian           |
| 24% | White           |
| 22% | Black           |
| 9%  | Hispanic        |
| 1%  | Native American |

- The population grew 19% from 1990- compared to 5.5% growth for the city of St. Paul as a whole
- Frogtown is the most racially diverse neighborhood in the city; the only neighborhood whose largest ethnic group is NOT white

*\* Information obtained from the 2000 census, St. Paul area Association of Realtors, and the A.H. Wilder Foundation*



- For every 20 public school students living in Frogtown: 12 are Asian, 5 are Black, 2 are white , 1 is Hispanic
- More than one-third of residents live below the federal poverty level of \$16,700 for a family of four
- English is NOT the primary language spoken at home for 64% of public school children

# Frogtown, Saint Paul, MN

## Housing Statistics and Household Income AS OF 2000 Census

Total housing units: 5,030 (12% of units are public housing)

Rental housing units : 55%

Owner-occupied units : 45%

Frogtown's median sales price: \$ 90,000

Metro- wide median sales price: \$ 201,500

Frogtown's median household income: \$ 29,809

Metropolitan median household income \$ 75,300

- More than 8 in 10 are low income
- 86% school age residents qualified for free or reduced-price school lunch



*Information obtained from 2000 Census, St. Paul Area Association of Realtors, and the A.H. Wilder Foundation*

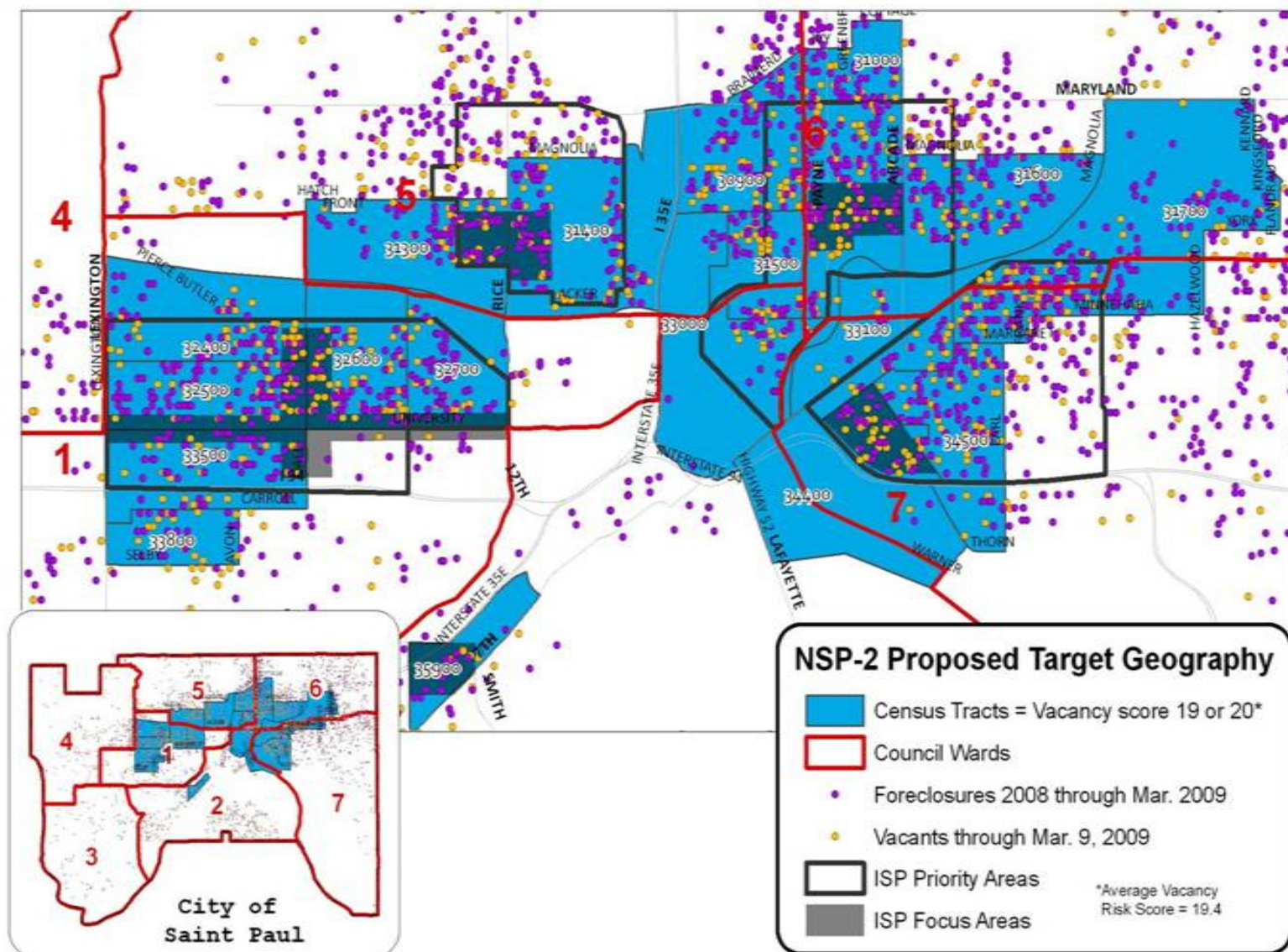


Figure 3: Vacant and Foreclosed Homes in Target Geography

June 15, 2009

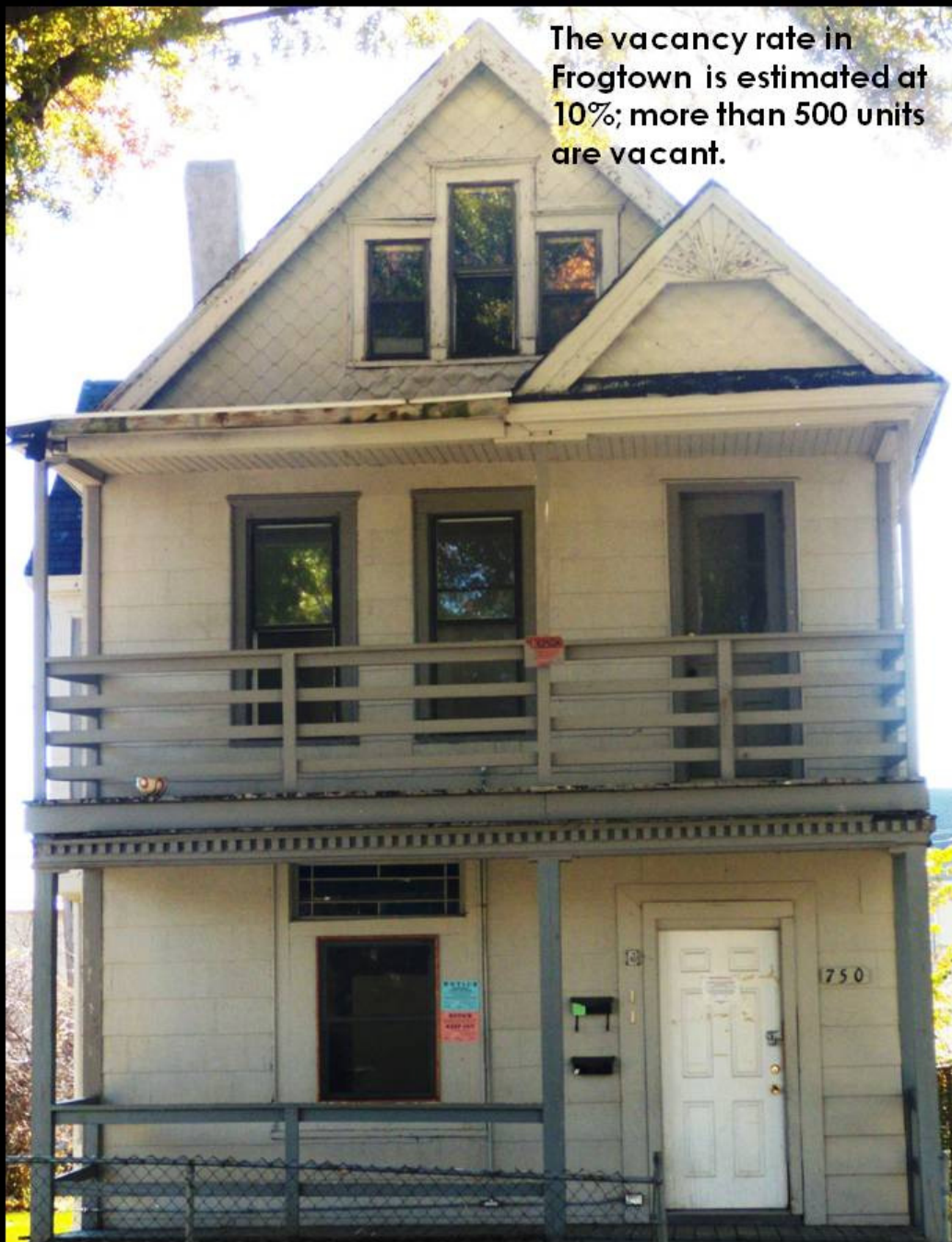


## Frogtown Foreclosures





The vacancy rate in  
Frogtown is estimated at  
10%; more than 500 units  
are vacant.





PIONEER PRESS: BEN GARVIN

Gerica Franklin, 30, sits outside her former home in St. Paul on Tuesday. Hard times have forced her to "double up" with her sister and their four kids, first at this house and now in a tiny two-bedroom apartment in Eagan.

Count this 30-year-old among the growing number of Minnesotans hit by the recession as incomes fell, home values slipped and poverty rose.

By Bob Shaw and  
MaryJo Webster  
Pioneer Press

Gerica Franklin likes other people — up to a point.

She lives with her sister in Eagan, where six people are living in a tiny two-bedroom apartment. The crowd includes her sister's three children and her 13-year-old son.

Franklin was bleary-eyed Tuesday after having slept on the floor. She has lived with her sister off and on for two years, first in a St. Paul house and now in the cramped apartment. "I would just say one thing about

doubling up," said Franklin. "Don't do it."

The growing number of people, like Franklin, "doubling up" with relatives or friends is just one of many signs of the recession's impact in Minnesota that are documented in the U.S. Census Bureau's American Community Survey 2009 data released Tuesday.

The data show how the recession roared through Minnesota last year — household incomes dropped, home values slipped, poverty increased and marriages declined. The survey

RECESSION FALLOUT, SA >

# Gerica doesn't live here anymore

## Median household incomes fall again

Real median household incomes (adjusted for inflation) fell in all but one of the Twin Cities counties — Scott County — in 2009 compared to the year before, according to new data

Income  
by state



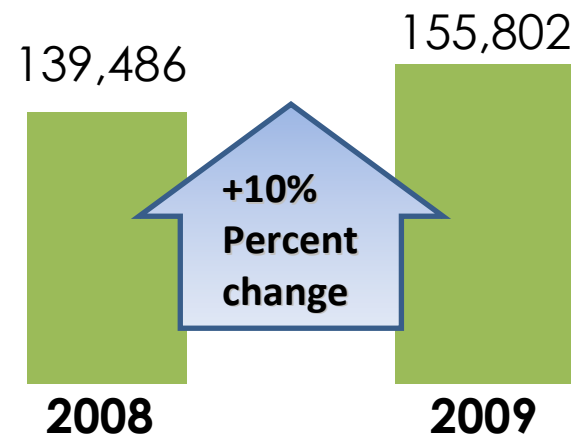
## Doubling up to get by

More people in the Twin Cities appear to be "doubling up" — living with family or friends — as a result

## Doubling up to get by causes stressful situations

More people in the Twin cities are “doubling up” – living with family or friends – as a result of the recession. The number of people in 2008 and 2009 living in this situation, either by choice or necessity.

PIONEER PRESS





## Frogtown, Saint Paul, MN

### Common Housing Conditions





# Cost to the City and Community

- Inspections/orders needed on vacant properties
- Additional calls for police service for break-ins
- Calls for fire and emergency services for arson
- Reduction in property taxes paid to city
- Reduction on property value for neighbors.

**According to HUD a property's value is reduced by \$6000 for each property that is vacant within a ¼ mile of the home.**



# Greater Frogtown Community Development Corporation

Founded 1995

## Mission Statement:

- Strengthen the neighborhoods by developing and rehabilitating high quality housing
- Improve rental and homeownership opportunities
- Promote and advocate the area's advantages as an affordable, diverse, safe, and congenial place to live



# Creating Neighborhood Assets by:

- Preserve existing housing stock-both vacant and occupied
- Ensure quality rehabilitation, addressing structural and safety issues
- Preserve historic homes and historic character in homes
- Follow housing plans that are established and approved by the City of St. Paul and the District 7 Planning Council, such as the **Thomas-Dale Area Plan, City's Comprehensive Plan & Housing Action Plan 2010-2013**





# Our Core Values

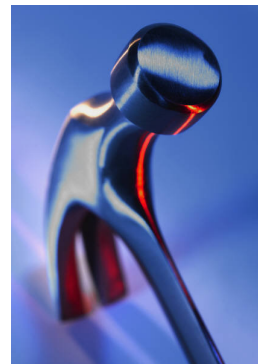
- Address and Ensure property is structurally sound
- Improve the safety of the neighborhood by **CPTED improvements**
- Improve the **Health and Safety** of the home by:
  - Testing for lead, radon & asbestos
  - Safely remove mold and hazardous materials
  - Ensure home has smoke & carbon monoxide detectors
- Make homes **energy efficient** so utility bills are affordable
- Make homes as **sustainable** as possible





# Economic Benefit

- Target resources into smaller areas of community around areas of need & investment
- Leverage other programs: NSP, Invest St. Paul, & Living Cities, Promise Neighborhoods
- Leverage private resources such as construction lines of credit and foundation support
- Enhancing our work by leveraging partnerships; with PPL, Habitat, BOF, Public Health, GMHC, HOC
- Partner with Good Will Easter Seals' Construction Training program as well as other training programs which work with neighborhood residents in job training.
- Exceed program goals, which the City of St. Paul has set for; **VOP** (employing small, minority, & women owned businesses) & **Section 3** (employing local, low-income residents)
- Affordable, renovated housing = more disposable income for neighborhood residents.



# Our CIB Requests

- Frogtown Facelift Rehab Loan Program
- Frogtown Facelift Too Rehab Loan Program
- Frogtown Flexible Fund for Housing Development



# Frogtown Facelift Request

|               |                   |
|---------------|-------------------|
| 2012          | \$ 342,000        |
| <u>2013</u>   | <u>\$ 342,000</u> |
| Total Request | \$ 684,000        |

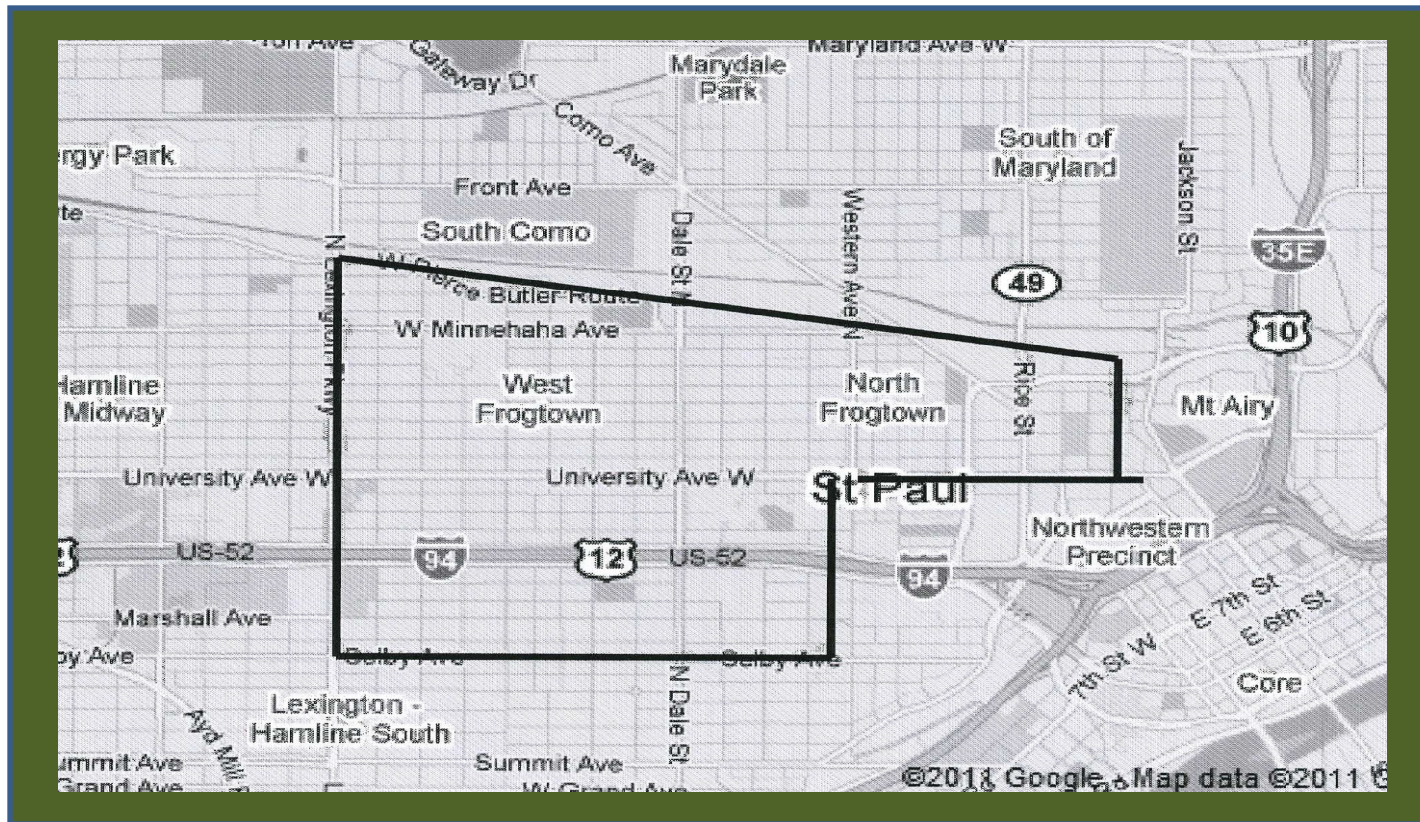
# Frogtown Facelift Too Request

|               |                   |
|---------------|-------------------|
| 2012          | \$ 349,000        |
| <u>2013</u>   | <u>\$ 349,000</u> |
| Total Request | \$ 698,000        |



# Frogtown Facelift Home Rehab Loans & Facelift Too Loans

Where We Serve





# Frogtown Facelift & Facelift Too

## Who We Serve



### Facelift

Families 80% of median income or less  
Maximum debt to income ratio of 60%  
Maximum loan to Value of 130%  
Must be current on mortgage & taxes



### Facelift Too

Families 80% of median or less  
Debt to income ratio too high or  
credit issues preventing them from  
Facelift loan qualification  
Max loan to Value of 130%  
Must be current on mortgage &  
taxes

# Frogtown Facelift & Facelift Too

## What We Do

Improve Families lives by

Addressing health and safety issues in the home

Removing lead hazards

Increasing energy efficiency

Eliminating long term deferred maintenance problems



# Frogtown Facelift & Facelift Too

## What We Do

### Examples of health/safety issues in the home

- Add smoke & carbon monoxide detectors
- Add GFI outlets to kitchens and baths
- Add handrails to stairs
- Repair broken pipes
- Remove mold and all water damage





# Frogtown Facelift & Facelift Too

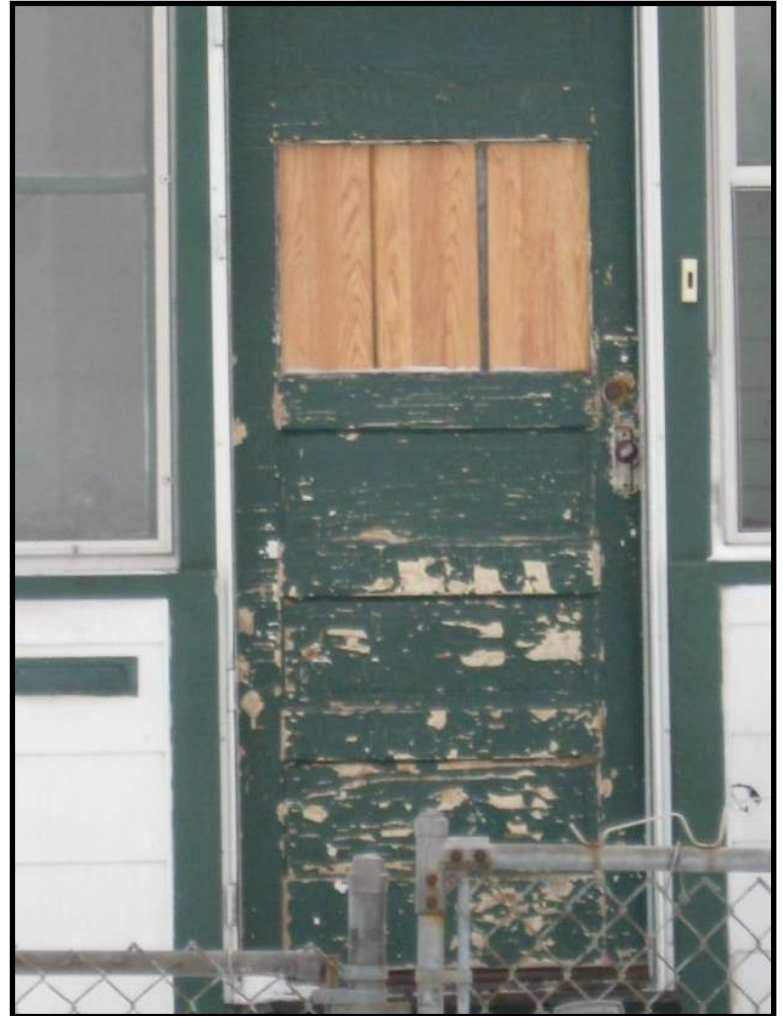
## What We Do

### Lead Hazard Reduction

Replace windows

Paint or replace doors, walls, etc.

Install siding and wrap soffit and fascia



# Frogtown Facelift & Facelift Too

## What We Do

Increase Energy Efficiency  
Insulate walls and attics  
Replace old heating units  
Seal doors and windows



# Frogtown Facelift & Facelift Too

## What We Do

Address long term deferred  
maintenance

Replace roofs

Side homes and wrap soffit and fascia





# Frogtown Facelift & Facelift Too

## Our Requests

### Facelift

|       |           |
|-------|-----------|
| 2012  | \$342,000 |
| 2013  | \$342,000 |
| Total | \$684,000 |

15 Projects per year

### Facelift Too

|       |           |
|-------|-----------|
| 2012  | \$349,000 |
| 2013  | \$349,000 |
| Total | \$698,000 |

10 projects per year



# Frogtown Flexible Fund Request

|               |            |
|---------------|------------|
| 2012          | \$ 375,000 |
| 2013          | \$ 375,000 |
| Total Request | \$ 750,000 |

# A Comprehensive Approach

## **Leverage:**

- Other private and public resources such as bank financing
- Partnerships with other organizations and training programs
- Resources into smaller areas of need and investment

## **Provide a range of housing to help stabilize families:**

- Homeownership
- Quality, affordable rental opportunities





# Homeownership

- Substantial renovation or new construction
- All homeowners are required to:
  - Homestead the property, guaranteeing that the home is their principal residence
  - Meet income restrictions, based on household size
  - Have income and credit to qualify for a mortgage
  - Agree to the City of St. Paul's "Soft 2<sup>nd</sup> mortgage"



# Affordable, Well Managed, High Quality Rental

- GFCDC & PPL, who has over 30 years experience in managing & developing rental properties in the Twin Cities
- Professional property management with 24 hour emergency service
- 5 point tenant screening:
  - Rent to income ratio
  - Credit history
  - Work history
  - Criminal background check
  - Housing/Rental history
- Crime free rental addendum
- Renters insurance required
- Strict enforcement of the lease
- Income restrictions based on household size (family of 4 @ or below \$42,000/yr)



# Renovation / New Construction

## Typical Rehab Needed

Windows, roofing, exterior repair  
(aluminum wrap & siding), plumbing,  
electrical, heating, kitchen,  
bathroom/s, some floor plan changes,  
flooring, hazardous materials  
encapsulated or abated, painting,  
garage repair, concrete work

## Typical Project Costs

|              |           |
|--------------|-----------|
| Acquisition  | \$ 37,000 |
| Construction | \$ 94,000 |
| Soft Costs   | \$ 29,000 |
| TDC          | \$160,000 |
| Sale Price   | \$108,000 |
| Subsidy      | \$ 52,000 |





# Questions about Frogtown Flexible Fund?



